

Message Text

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PAGE 01 CARACA 05159 162242Z

17

ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-04

CEA-01 IO-10 L-02 PA-01 PRS-01 /092 W

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R 162157Z MAY 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 8775

INFO AMEMBASSY BRASILIA

AMEMBASSY SANTIAGO

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EO 11652 NA

TAGS: EFIN VE

SUBJ: NEW INTER-AMERICAN BANK ESTABLISHED IN CARACAS

1. ON MAY 14 THE INTER-AMERICAN SAVINGS AND LOAN BANK (BANCO INTERAMERICANO DE AHORRO Y PRESTAMO) WAS UNOFFICIALLY ESTABLISHED IN CARACAS WITH A CAPITAL OF \$10 MILLION, SUPPLIED BY SIXTEEN COUNTRIES. \$7 MILLION OF THIS CAPITAL IS BEING SUPPLIED BY BRAZIL AND VENEZUELA. THE FIRST BOARD OF DIRECTOS WILL BE HEADED BY BRAZILIAN DR LUIS CARLOS VIERA DA FONSECA. VENEZUELA WILL BE REPRESENTED BY DR MAURICIO TANCREDI CELIS, PRESIDENT OF BANAP (VENEZUELAN BANCO DE AHORRO Y PRESTAMO) AND ALEJANDRO ARMAS.

2. EMBASSY UNDERSTANDS FROM MARIO PITA (AID-WASHINGTON) THAT INITIATIVE FOR BANK CAME FROM LATIN AMERICAN SAVINGS AND LOAN INSTITUTIONS SUPPORTED BY AID. THE CHILEAN, EDUARDO GOMIEN, HAS PLAYED AN IMPORTANT ROLE IN THIS INITIATIVE. BANK EXPECTED TO MAKE LOANS THROUGH FINANCIAL INSTITUTIONS AS WELL AS DIRECTLY TO ULTIMATE RECIPIENTS IN MEMBER COUNTRIES. PRIVATE SAVINGS AND LOAN INTERESTS IN TEXAS REPORTEDLY HAVE PLEDGED \$400,000 FOR THE BANK.

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PAGE 02 CARACA 05159 162242Z

3. THE OFFICIAL ESTABLISHMENT OF THE BANK DID NOT TAKE PLACE BECAUSE
THE GOVT OF VENEZUELA HAS NOT YET APPROVED THE LAW PROVIDING
FOR VENEZUELAN PARTICIPATION.

4. COMMENT: THE GOV'S FAILURE TO APPROVE VENEZUELAN
PARTICIPATION IN THE BANK WAS EMBARRASSING TO LOCAL SUPPORTERS OF THE
INSTITUTION AND SOMEWHAT DAMAGING TO VENEZUELA'S IMAGE AS A PROPONENT
OF LATIN AMERICAN INTEGRATION. DELEGATES FROM OTHER MEMBER
COUNTRIES HAD BEEN INVITED TO PARTICIPATE IN INAUGURAL CEREMONIES ON
MAY 14 OVER WHICH THEY UNDERSTOOD PRESIDENT PEREZ WOULD PRESIDE.
THEY WERE INFORMED ON THE EVENING OF MAY 13 THAT THE VENEZUELAN
CABINET, MEETING THAT SAME DAY, HAD FAILED TO APPROVE THE DECREE
LAW PROVIDING FOR VENEZUELAN PARTICIPATION AND THAT THE INAUGURAL
CEREMONIES WERE CANCELLED. IN ADDITION TO ITS CAPITAL CONTRIBUTION
OF \$3.5 MILLION, THE GOV WAS EXPECTED TO PROVIDE ABOUT \$25 MILLION
IN FINANCIAL SUPPORT TO THE BANK.

5. FAILURE OF THE GOV TO APPROVE VENEZUELA'S PARTICIPTION
REPORTEDLY IS RELATED TO A CONTROVERSY WITHIN THE GOV OVER
THE NEW BANKING LAW, WHICH IS EXPECTED TO BE ANNOUNCED
MOMENTARILY. RATHER THAN AUTORIZIZE GOV PARTICIPATION IN THE
SAVINGS AND LOAN BANK BY SEPARATE DECREE, THE GOV IS NOW
REPORTED TO BE CONSIDERING SUCH AUTHORIZATION AS A PART OF THE NEW
BANKING LAW. THE OTHER PARTICIPANTS IN THE SAVINGS AND LOAN BANK
WERE REPORTED TO HAVE DEPOSITED THEIR CAPITAL CONTRIBUTIONS IN
ESCROW WITH THE CENTRAL BANK OF VENEZUELA CONTINGENT UPON
VENEZUELAN PARTICIPATION BY JULY 15 AT THE LATEST. THE GOV IS
EXPECTED TO AUTHORIZE VENEZUELAN PARTICIPATION IN THE BANK BEFORE
MAY 30, WHEN THE PRESIDENT'S SPECIAL ECONOMIC POWERS WILL
EXPIRE.

6. EMBASSY WOULD APPRECIATE ANY INFO WHICH BRASILIA
COULD PROVIDE ABOUT VIERA DA FONSECA.
SHLAUDEMAN

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REGIONAL ORGANIZATIONS, BANKS, ESTABLISHMENT OF OFFICES
Control Number: n/a
Copy: SINGLE
Draft Date: 16 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975CARACA05159
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750174-0158
From: CARACAS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750541/aaaablbs.tel
Line Count: 95
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 04 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 SEP 2003 by WorrelSW>; APPROVED <25 NOV 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NEW INTER-AMERICAN BANK ESTABLISHED IN CARACAS
TAGS: EFIN, VE, BANCO INTERAMERICANO DE AHORRO
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006